



Focus on the American Consumer

This legislation provides strong consumer protection as our nation transitions to a clean energy economy. That's why, outside of revenue dedicated to deficit reduction, two-thirds of any revenue raised goes back to consumers from day one. By 2035, 100 percent is refunded to the American people, after deficit reduction.

Broad Consumer Relief

From the beginning of the program until 2030, American families will see the benefit of emission allowances through clear reductions in the monthly bills they receive from their local electric and natural gas utilities. We believe it is critical for consumers to receive this benefit reliably and on a monthly basis, and we have worked closely with the utilities to make sure the system is efficient and transparent.

As our economy adjusts to a new system that prices carbon, our refund mechanism evolves as well. We phase in a Universal Refund beginning in 2026 to replace the rebates distributed by local utility companies. The Secretary of Treasury will determine the amount based on auction revenues. If it is determined that no better method exists, this credit will be distributed through the tax system, adjusted by household size, with no income limits.

Disproportionately Impacted Consumers

For those families that are disproportionately impacted, we include an additional refund. From the beginning of the program, fifteen percent of revenue raised will be used to help offset any increases in energy costs for low- and middle-income American families.

Those with income below 150 percent of the poverty level – approximately \$33,000 for a family of four – will be eligible for a monthly federal benefit through an Energy Refund Program that will be administered through their state's human services agency. This benefit will be delivered electronically on the same debit cards that states now use to deliver food stamps and other benefits. The Energy Information Administration (EIA) will calculate the refund annually based on how much, on average, the higher energy prices will impact households of a given size. Those who do not participate in existing programs but have income below 150 percent of the poverty level would be eligible to apply.

Households with income in the range of 150 percent of the poverty level to 250 percent of the poverty level – approximately \$64,000 for a family of four – would be eligible for a refundable credit. This credit will be distributed through the tax system and withholding may be adjusted to reflect the credit amount. The Secretary of the Treasury will set the relief amount each year based on the auction revenues dedicated for this purpose. The relief amount will be adjusted by household size.